

Washington, D.C. - The U.S. House of Representatives voted today to extend two economic stimulus provisions championed by Congresswoman Melissa Bean to aid struggling small businesses and support the recovering housing market.

Bean had cosponsored bills that extends the Net Operating Loss Carryback (NOL) tax provision and extends and improves the First-Time Homebuyer Tax Credit. Those extensions were included in H.R. 3548, the Unemployment Compensation Extension Act of 2009, which passed the House today 403-12, with Bean's support.

"While the economy has started growing again, we're clearly still in a tough economic climate," Bean said. "It makes sense to extend already successful programs that assist our community businesses and rebuild our economy."

Under previous law, businesses with a net-operating loss this year may amend their tax filings to carry that loss back two years to offset taxable income in such years. These rules are designed to allow businesses to "smooth out" swings in business income that result from unexpected financial losses.

Under the American Recovery and Reinvestment Act passed in February, the carry back was extended to five years for the 2008 tax year so that previously profitable businesses struggling in the recession will be able to maintain their staffing levels and invest more. Today's legislation allows small businesses to use the expanded 5-year carryback for the 2009 tax year as well. Businesses would be able to offset 50 percent of the available income from the fifth year and 100 percent of all income in the remaining four carryback years.

The Recovery Act also included the First-Time Homebuyer Tax Credit, an \$8,000 refundable tax credit available for those who purchased their first home between January 1, 2009 and December 1, 2009. Today's legislation extends the program to April 30, 2010 and provides a new \$6,500 credit to existing homeowners purchasing a new home. To qualify, homeowners must have lived in their current residence for five years or more.

Today's legislation also includes language from H.R. 3901, The Homebuyer Tax Credit

Improvement Act, which Bean also cosponsored, that reduces potential fraud in the program. The provisions requires taxpayers to file additional proof of their home purchase when claiming the credit and granting the IRS authority to look at prior tax returns to determine a taxpayer's eligibility for the credit.

According to the Internal Revenue Service, the expanded first-time homebuyer tax credits included in the 2008 and 2009 stimulus packages have benefited more than 1.4 million taxpayers. According to Census statistics, housing starts dropped steadily in 2008 from a seasonally adjusted annual rate of 1.08 million in January 2008 to 488,000 in January 2009. After the Recovery Act became law in February, that trend reversed and starts have climbed steadily upward to 590,000 in September.

H.R. 3548 also extends unemployment insurance by up to 14 additional weeks for jobless workers and extends benefits for six additional weeks for workers in states with unemployment levels over 8.5 percent. The bill does not add to the federal deficit.

The Senate passed H.R. 3548 on Tuesday; it now heads to the President for his signature.